

To The Members of the California State Assembly:

I am returning Assembly Bill 2578 without my signature.

In 2004, the voters approved Proposition 60A which provided that the revenue generated by the sale of surplus property is to be used to pay off the debt from the Economic Recovery Bonds. This bill attempts to redirect those funds to other purposes. As admirable as those purposes are, it remains that the intent of the electorate was to reduce the State's debt, and the Administration intends to abide by their will.

In addition, this bill would delegate important decisions regarding the allocation of State resources to a new entity, unaccountable to the people, and outside the annual budget process. In doing so, it would hamper the ability of the Legislature and the Governor to make such resource decisions that take into account all of the State's needs.

For these reasons, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger